

Minutes of the Meeting of the Board of Trustees
University of Kentucky
University Health Care Committee
Monday, December 11, 2017

The University Health Care Committee of the Board of Trustees of the University of Kentucky met on Monday, December 11, 2017, in conference room 127 of the Charles T. Wethington, Jr. Building.

A. Meeting Opened

Robert Vance, chair of the University Health Care Committee, called the meeting to order at 4:02 p.m. and called the roll.

B. Roll Call

The following members of the University Health Care Committee answered the call of the roll: James H. Booth, Cammie DeShields Grant, Robert Grossman, Robert Vance, and Barbara Young. Community Advisory Members present: Luther Deaton.

Chair Vance announced that a quorum was present.

The following additional Board of Trustees members were present: Lee X. Blonder, Benjamin Childress, Michael A. Christian, David V. Hawpe, Kelly Sullivan Holland, Elizabeth McCoy, Derrick K. Ramsey, and Sandra R. Shuffet.

The UK HealthCare and University administration was represented by President Eli Capilouto, Executive Vice President for Health Affairs Mark F. Newman, Vice President and College of Medicine Dean Robert DiPaola, Vice President and Chief Clinical Operations Officer Robert “Bo” Cofield, Vice President for Administration and External Affairs Mark D. Birdwhistell, Vice President and Chief Financial Officer Craig Collins, Chief Administrative and Nursing Officer Colleen Swartz, and Chief Medical Officer Phillip Chang.

Guests and members of the news media were also in attendance.

C. Approval of Minutes

Chair Vance asked for a motion for approval of the minutes from the September 14, 2017 meeting. Trustee Booth moved approval of the minutes. Trustee Young seconded the motion and the minutes passed without dissent. (See minutes on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

D. Corporate Compliance Update

Mr. R. Brett Short, Chief Compliance Officer, discussed the UK HealthCare Corporate Compliance Update. Mr. Short reported that the objectives of a compliance program are to

promote a culture of ethics and compliance that is central to all of the institution's operations and activities and to understand the nature of existing risks and potential risks. The program also manages risks that lead to financial, legal, and reputational loss.

Health care fraud has been a top priority of the Department of Justice (DOJ) since 1993. In 2010, mandatory compliance programs were implemented through the Affordable Care Act. In 2015, the DOJ released the "Yates Memo", issued to increase focus on individual accountability. A compliance expert was hired by the DOJ in 2016. In early 2017, the DOJ issued its new Evaluation of Corporate Compliance Programs pertaining to 11 key areas of evaluation and the Office of Inspector General in the Department of Health and Human Resources issued new guidance on effective compliance programs. Mr. Short reviewed the 11 areas of DOJ Compliance Program guidelines and stated that the impact to the UK HealthCare Compliance Program was increased involvement from the workforce in the development and implementation of risk assessment and increased involvement from senior management. A review of the UK Corporate Compliance internal and external program was completed. The risk assessment reviewed last year's auditing and monitoring plan, internal and external data points and trends, and coordinated with key operations and leadership personnel on area-specific risk. Elements of an effective compliance program have high-level personnel who exercise effective oversight. The program should also have direct reporting authority to the governing body or appropriate subgroup and include policies and procedures. Elements should also include training and education and effective lines of communication. Chair Vance recognized Mr. Short and commended him on his many accomplishments and awards both internally and externally.

E. Enterprise Goals and Quality Update

Colleen Swartz DNP, Chief Nurse Executive and Chief Administrative Officer, and Phillip Chang, MD, Chief Medical Officer, presented the UK HealthCare Enterprise Goals. The FY 2017-2018 Enterprise Goals focus on improving patient survival rates, avoiding complications, efficiency of the care continuum, and accessibility to care and patient and family experience. Goals were set in mortality, patient safety, care continuum, patient experience, engagement, and diversity and inclusion. UK HealthCare uses Vizient's composite scoring system and patient-level performance data from a variety of sources to prepare their performance scorecard.

The 2017 Quality and Accountability Study across demographic groups reported no statically significant differences in care at UK HealthCare. The study looks at measures such as time from arrival to evaluation and pain management for things such as long bone fractures.

Vizient has recently changed their method in ranking organizations and therefore could have caused the 2017 numbers to look differently. Dr. Swartz and Dr. Chang demonstrated the differences in results by showing what the 2016 rankings would have resulted in if using the 2017 methodology. The numbers were dramatically different using the new methods. The FY 2017-2018 Enterprise Goals scorecard has opportunity for improvement and depicts several scores below the threshold numbers with the exception of Ambulatory Access and Length of Stay.

F. UK HealthCare FY 2018 Quality, Safety, and Patient Experience Plan (UHCC 1)

Dr. Bo Cofield, Vice President and Chief Clinical Operations Officer, presented UHCC 1 for the Committee's approval. UHCC 1 recommended that the Committee approve the UK HealthCare FY 2018 Quality, Safety, and Patient Experience Plan provided as an attachment. The Centers for Medicare and Medicaid Services (CMS) requires participating hospitals maintain an effective, ongoing, hospital-wide, data-drive quality assessment and performance improvement program. The plan provided to the Committee sets out such a program for the University's hospitals and clinical activities for FY 2018.

Chair Vance asked for a motion for approval. Trustee Grant moved approval of UHCC 1. Trustee Grant seconded the motion and it passed without dissent. (See UHCC 1 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

G. Clinical Services Contracts

Dr. Cofield submitted a list of UK HealthCare's Clinical Service Contracts to the Committee. The Committee was provided an attachment that listed the name of the contract, clinical interaction, service being provided, and expiration date.

H. Financial Update

Craig Collins, Chief Financial Officer, reported the October 2018 Year-To-Date (YTD) income from operations at \$51,100,000. This number was higher than the budget of \$35,600,000.

Mr. Collins proposed FCR 10 Renovate/Improve UK Good Samaritan Hospital Facilities Capital Project (Air Handling Units) (Scope Increase to Consolidate Units). FCR 10 recommends approval to increase the scope to the original capital project (in the amount of \$1,500,000) to replace air handling unit (AHU) #24 and roof top unit (RTU) #54 at the Good Samaritan Hospital. During design, it was determined that the function of AHU #23 could be consolidated into the replacement of AHU #24 and RTU #54 with a change in the size of units. An additional \$500,000 is needed to complete the revised project and will be funded with agency funds. The total revised project authorization will be \$2,000,000 and is well within the \$25,000,000 authorized by the 2016 Session of the Kentucky General Assembly. Chair Vance called for a motion to recommend approval to the Finance Committee. Trustee Young moved to recommend approval of FCR 10. Trustee Grossman seconded the motion and it passed without dissent. (See FCR 10 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

Mr. Collins proposed FCR 11 Improve UK HealthCare Facilities-UK Chandler Hospital Capital Project (Gill Heart and Vascular Institute Catheterization Lab Expansion). FCR 11 recommends approval to add an additional catheterization lab within the Gill Heart and Vascular Institute. The scope of the project is \$4,000,000 and will be funded with agency funds and is well within the total legislative authorization of \$310,000,000. Chair Vance called for a motion to recommend approval to the Finance Committee. Trustee Grant moved to recommend approval of FCR 11. Trustee Young seconded the motion and it passed with without dissent. (See FCR 11 on

the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

Mr. Collins proposed FCR 12 Funding Revision to Renovate/Upgrade UK HealthCare Facilities (Phase I-F, I-G, I-H, and I-I) Capital Projects. FCR 12 recommends approval to use agency bonds authorized by the 2016 General Assembly to fund projects in Phases I-F, I-G, I-H, and I-I of the Renovate/Upgrade UK HealthCare Facilities Capital Project; for which the declaration of intent to reimburse capital expenditures from a future debt obligation for these Capital Projects was approved in June 2014. A list of UK HealthCare patient care facility projects as of December 2017 was provided as an attachment. Chair Vance called for a motion to recommend approval to the Finance Committee. Trustee Booth moved to recommend approval of FCR 12. Trustee Young seconded the motion and it passed with without dissent. (See FCR 12 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

I. Building Efficiencies Through Strategic Transformation (BEST)

Dr. Newman introduced James Zembrodt, Associate Vice President for Enterprise Strategy, to present the new UK @ our BEST program. The program was created to help UK HealthCare stay relevant in today healthcare market, build business, clinical, and academic systems, and process to match our new size and complexity. It also helps support reinvestment into research and education. Mr. Zembrodt discussed the timelines, drive teams, and continued work to help UK HealthCare be proactive in addressing external financial pressures. Following Mr. Zembrodt's presentation on the UK @ our Best project, Trustees Blonder and Grossman highlighted a lack of emphasis on diversity on the BEST project Executive Drive Team and within the BEST plan itself. Dr. Newman and Dr. Cofield each acknowledged the Trustee's comments and added that the Executive Drive Team membership is based on position, as recommended by Huron Consulting, and there are a number of other Drive and Implementation Teams whose membership was not displayed in the presentation; the composition of those teams reflect UK HealthCare's emphasis on diversity. Trustees Grossman emphasized the importance of addressing UK HealthCare's diversity challenges in all aspects of the BEST plan. Trustees Blonder and Grossman asked the administration to consider further emphasis on diversity within the Executive Drive Team and within the BEST plan itself. Chair Vance thanked Mr. Zembrodt for his presentation and yielded the floor to Dr. Newman.

J. Executive Vice President for Health Affairs Update

Dr. Newman presented his goals during his first 100 days as the new Executive Vice President for Health Affairs. During this time, Dr. Newman compiled feedback from departments and key stakeholders to help refine and refocus the Strategic Plan. He shared many of the messages he received during these meetings and grouped them into different categories. These categories include: top things to not change, top things we need to change, top things they hope he will do, and things they hope he will not do. Dr. Newman also discussed a recent ambulatory strategy retreat held at UK HealthCare and the key takeaways from the meeting. He reported that the UK HealthCare 2015-2020 Strategic Plan would not be changed but refined to meet the needs of our patients and generate the resources needed for our missions as an academic medical center. Dr. Newman recently formed three committees to help with the plans to achieve these goals. He stated

that his role is to develop aligned direction, allocate resources, and provide support to the teams at UK HealthCare. The responsibility of the teams is to get results against agreed-upon objectives and priorities. Chair Vance thanked Dr. Newman for his presentation and yielded the floor to Dr. Cofield.

K. Privileges and Appointments

Dr. Cofield proposed the current list of privileges and credentials. Chair Vance called for a motion to approve the list of providers. Trustee Young moved to approve the list. Trustee Grant seconded the motion and it passed without dissent.

L. Meeting Adjourned

Chair Vance called for new or other business that needed to be brought before the University Health Care Committee. Hearing no further business, the meeting was adjourned at 5:45 p.m.

Respectfully submitted,



Robert Vance
Chair, University Health Care Committee

(UHCC, FCR 10, FCR 11, FCR 12, are official parts of the Minutes of the meeting)